ASX ANNOUNCEMENT

Date: 15 May 2018
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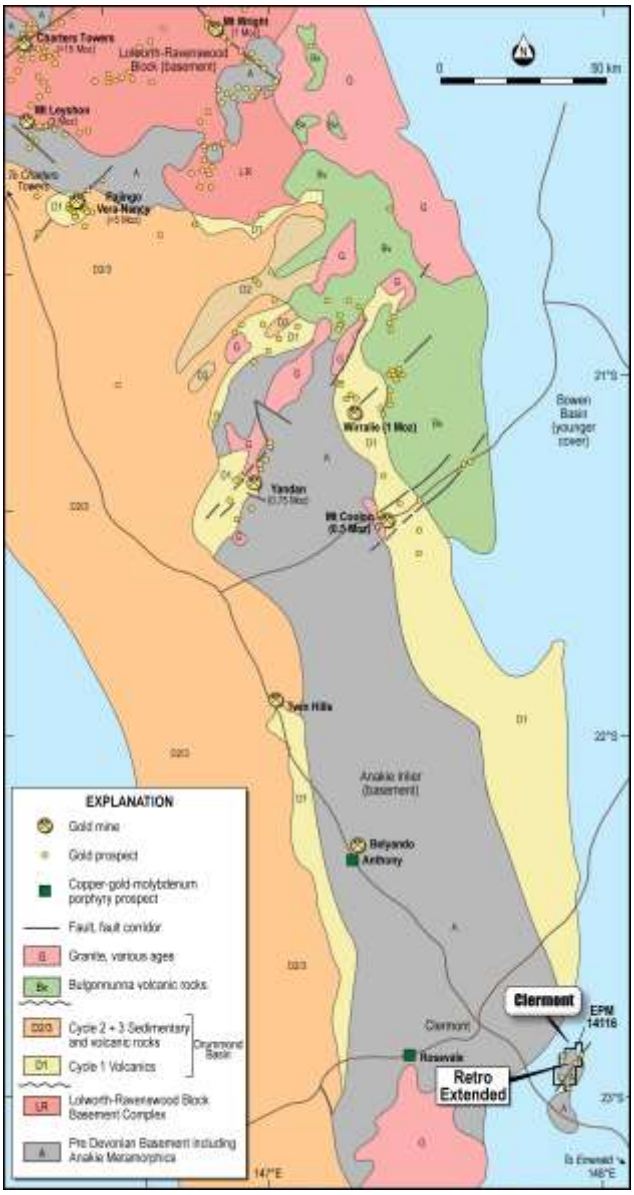
EXPLORATION UPDATE:
CLERMONT GOLD PROJECT, QUEENSLAND
IP Geophysical Survey Nearing Completion

COMMONWEALTH PROJECT, NEW SOUTH WALES
Drill Programme to Commence by Late June



An Induced Polarisation (IP) gradient array survey is nearing completion at Impact Minerals Limited's 100% owned Clermont gold project located in the southern part of the Drummond Basin in Central Queensland, a prolific epithermal gold-silver belt which hosts several world class gold deposits such as Pajingo (Vera-Nancy) (>5 Moz), Mt Leyshon (>3 Moz) and Mt Wright (>1 Moz) (Figure 1).

Exploration at Clermont has been reinvigorated following a strategic review of the project last Quarter and reported in the March Quarterly report.

The aim of the IP survey is to identify targets to be drill tested as soon as practicable and shortly after completion of the planned drill programme at Impact's 100% owned Commonwealth gold-silver project in New South Wales. Drilling at Commonwealth is scheduled to start by late June.

The IP survey at Clermont is centred over two key prospects, Retro and Retro-Extended, at the northern end of the Retro Fault System, a 10 km trend of gold-silver and base metal mineralisation. From south to north along the Retro Fault system, a transition may be present from bulk tonnage porphyry-style mineralisation to high grade precious and base metal-rich epithermal mineralisation (Figure 2).

Figure 1. Location of the Clermont Project in the Drummond Basin, central Queensland.

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The purpose of the current IP survey is to assess continuity of the mineralised structure over a strike length of about 5 kilometres from north of Retro to south of Retro Extended (Figures 2 and 3).

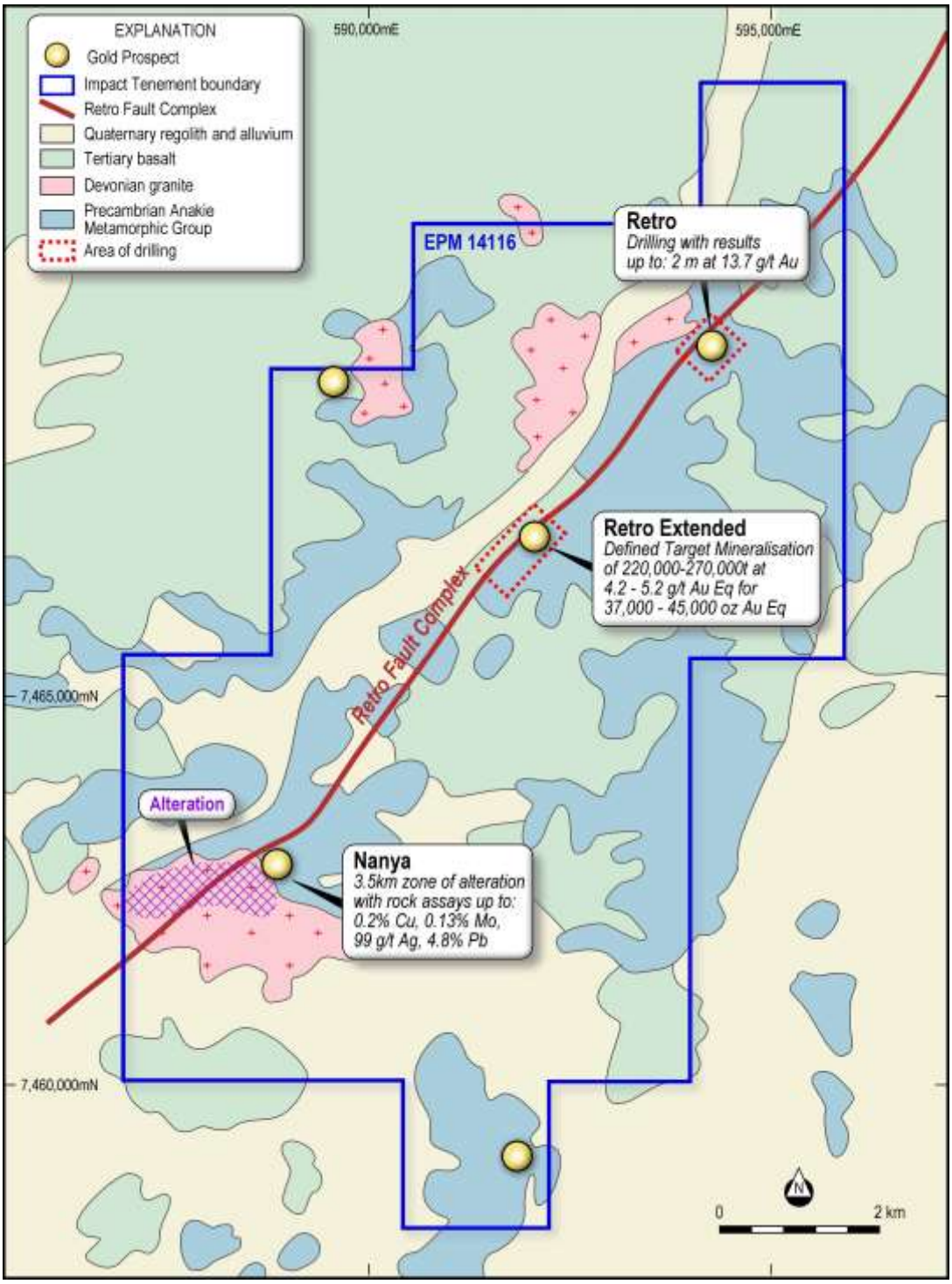

Figure 2. Location of the Retro Fault System showing the Retro, Retro Extended and Nanya Prospects.

RETRO EXTENDED

This prospect is a gold-bearing quartz reef/vein system where previous explorers completed 27 RC holes for 1342 metres. A mineralised vein system was defined over 200 metres of strike and 75 metres depth. A standout drill assay returned

8 m at 16.1 g/t gold, 143 g/t silver, 5.6% copper and 7.8% lead from 8 metres in RERC1 (Figure 3).

Impact (under Invictus Gold Limited, now a wholly owned subsidiary of Impact) completed follow up soil and rock chip geochemistry surveys and 7 RC holes for 974 metres. This work extended the total strike of mineralisation at Retro Extended up to 1,200 metres and to 125 metres below surface.

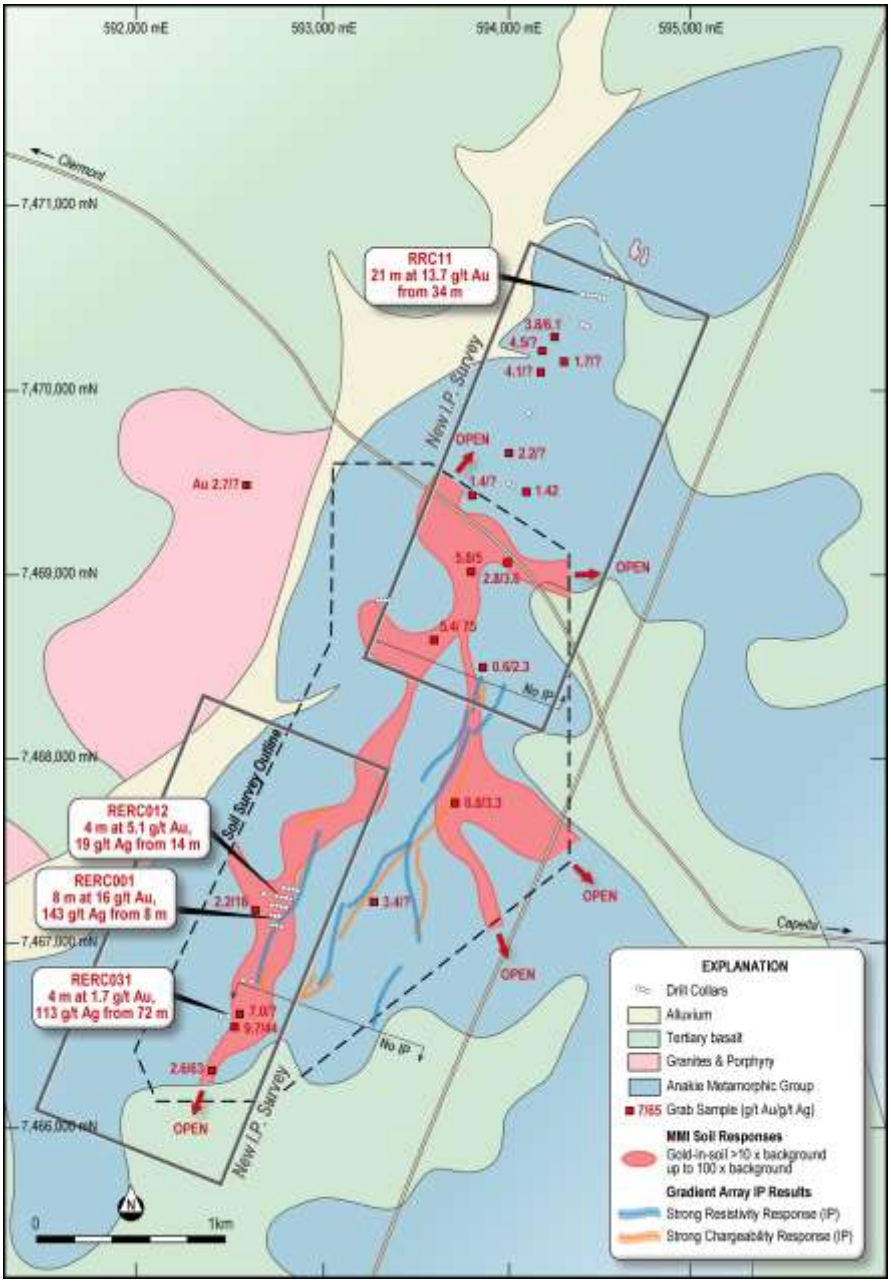

Figure 3. Geology and exploration results for the Retro-Retro Extended Prospects. Also shown is the location of the current IP Survey.

Importantly Impact established for the first time that the narrower zones of high grade mineralisation occurred within much thicker zones of disseminated sulphide and alteration containing anomalous silver, lead and zinc. This suggests that the host structure is a coherent zone of considerable fluid flow and not isolated discontinuous veins.

For example, RERC030 was drilled to test the down dip extension of mineralisation at a depth of 130 metres below surface (Figures 3 and 4) and intersected two mineralised structures comprising silica-chlorite-epidote altered sandstones with extensive quartz veining and up to 10% sulphides (pyrite, chalcopyrite and arsenopyrite). This zone returned:

8 m at 2.3 g/t gold, 6.1 g/t silver, 0.05% copper, 0.1% lead and 0.1% zinc from 135 m including 2 m at 6.3 g/t gold, 9.7 g/t silver, 0.04% copper, 0.3% lead and 0.1% zinc from 141 metres; and 2 m at 0.8 g/t gold, 4.9 g/t silver with minor copper, lead and zinc from 161 metres.

These two zones occur in the centre of a 50 m thick zone (true thickness) of weaker mineralisation and alteration that returned: **90 m at 1.2 g/t silver, 313 ppm zinc and 163 ppm lead** (Figure 4).

Further drilling should lead to the definition of a JORC compliant Inferred Resource in this area.

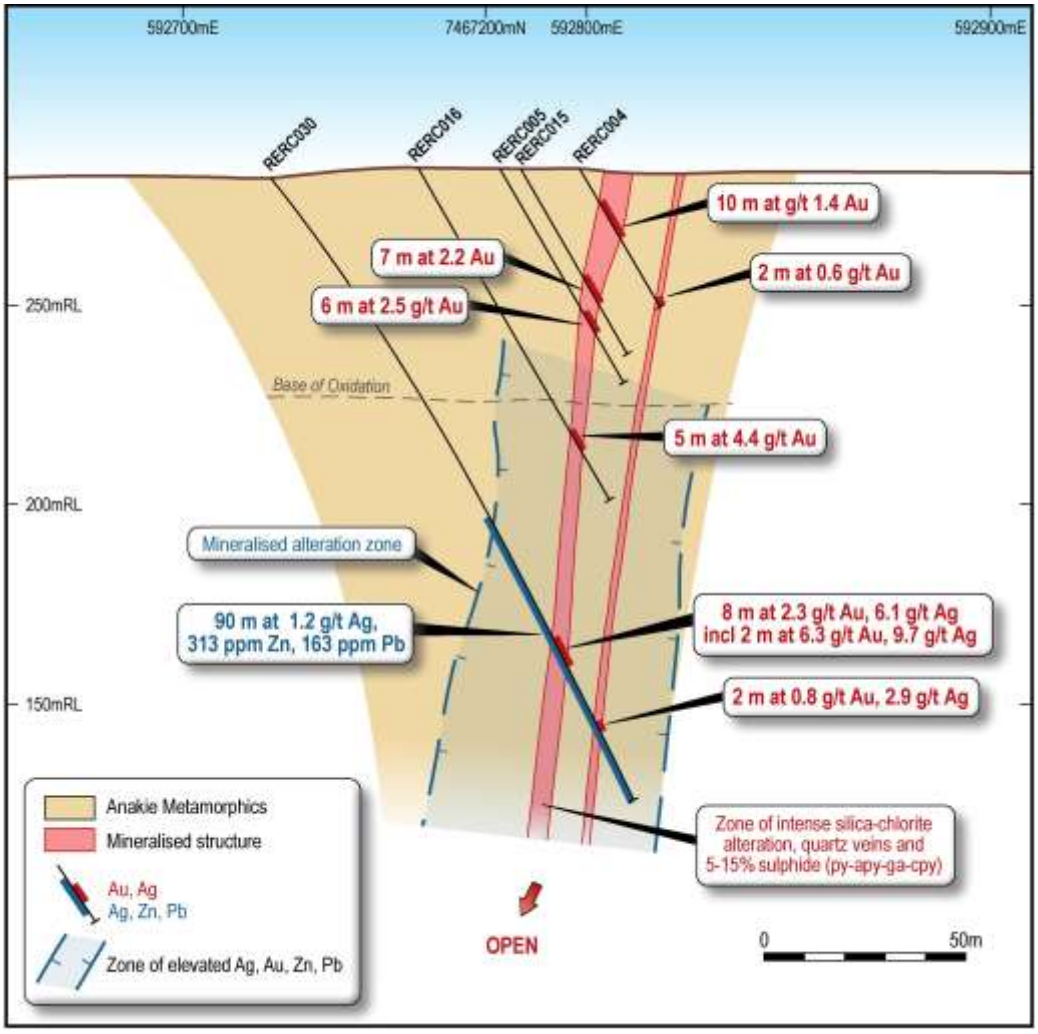

Figure 4. Section 7,467,200 mN. Geology and assays for hole RERC030 with previous drill results

OTHER PROSPECTS

Field checking and grab samples from along the Retro Fault System also confirmed the potential for epithermal mineralisation over 10 km of strike as well as porphyry-style mineralisation at the Nanya Prospect at the southern end of the Retro Fault System (Figure 2).

For example, grab samples of epithermal quartz veins and rare volcanic breccia at various prospects have returned assays of up to the following:

Retro 3.5 g/t gold, 57.7 g/t silver, 234 ppm copper and 3.6% lead. Previous drilling at Retro also returned 2 m at 13.7 g/t gold from 34 metres;

Retro South 5.4 g/t gold, 75 g/t silver and 500 ppm copper;

Retro East 0.8 g/t gold, 3.3 g/t silver and 0.6% lead.

In addition, 1,000 m south of the main mineralisation at Retro Extended colloform banded quartz veins returned up to 2.6 g/t gold, 61.3 g/t silver, 380 ppm copper, 6.1% lead and 830 ppm zinc.

At the **Nanya Prospect** located 5 km southwest of Retro Extended, a large east trending sericite-pyrite alteration zone at least 1,500 m by 300 metres in dimension has been mapped on the northern margin of the Retreat Granite. Grab samples by both Impact and previous explorers have returned up to:

370 ppm molybdenum, 26 g/t silver, 175 ppm copper, 2.7% lead and 730 ppm zinc in separate samples in granite; and

98.7 g/t silver, 0.13% molybdenum, 0.16% copper, 4.8% lead and 0.16% zinc in laminated and bladed-textured gossanous quartz veins in sericite altered granite. Gold values were less than 100 ppb.

The geological characteristics of the Nanya Prospect are similar to those at the large Anthony porphyry molybdenum deposit located 100 km to the northwest (Inferred and Indicated Resource of 318 Mt at 390 ppm molybdenum at a 200 ppm cut off).

All of these results indicate there is significant exploration potential along the Retro Fault System for the discovery of a major deposit and that further exploration is warranted as a priority.

COMMONWEALTH DRILL PROGRAMME

Preparations continue for the start of the follow up drill programme at Commonwealth. Negotiations with drill contractors are underway and final statutory permits awaited. It is anticipated the programme will start by the end of June.

Dr Michael G Jones
Managing Director

The review of exploration activities and results contained in this report is based on information compiled by Dr Mike Jones, a Member of the Australian Institute of Geoscientists. He is a director of the company and works for Impact Minerals Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Jones has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Impact Minerals confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements referred to and in the case of mineral resource estimates, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

APPENDIX 1 - SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	**Rock chip samples** Random grab samples were taken at surface which represented favourable geology and alteration to known mineralisation in the region. Samples are variably weathered. **Soil Samples** About 250g of soil was taken from 15-20cm below surface and sieved to - 2mm size. Samples put in plastic snap seal bags. Samples were subsequently sieved to -250 micron at ALS Laboratories for assay by the MMI technique. **RC Drilling** Reverse Circulation (RC) percussion drilling was used to produce a 1m bulk sample (~25kg) which was collected in plastic bags and representative 1m split samples (12.5%, or nominally 3kg) were collected using a riffle splitter and placed in a calico bag. The cyclone was cleaned out with compressed air at the end of each hole and periodically during the drilling. Holes were drilled to optimally intercept interpreted mineralised zones.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	**Rock chip samples** Representative samples at each sample site weigh between 0.8 and 1.2 kg. Sample sites were chosen in areas highlighted by soil geochemistry results and the geophysical surveys conducted on the Clermont Project. **Soil Samples and Drill Samples** Sample representivity was ensured by a combination of Company Procedures regarding quality control (QC) and quality assurance / testing (QA). Examples of QC include (but are not limited to), daily workplace and equipment inspections, as well as drilling and sampling procedures. Examples of QA include (but are not limited to) collection of "field duplicates", the use of certified standards and blank samples approximately every 50 samples
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	**Rock chip samples** Rock samples were sent to SGS Laboratories in Brisbane where they were crushed, dried and pulverised (total prep) to produce a 25-30 g sub-samples for analysis initially by Aqua Regia digest with ICP-MS finish, gold by Fire Assay. Further rock samples were also sent to ALS Laboratories Townsville for Aqua Regia digest with ME_ICP61 and Fire Assay techniques for gold. **Soil Samples** Soil samples were sent to SGS Laboratories in Perth for analysis by the MMI digest. **RC and diamond drill samples** RC samples were submitted to ALS Laboratories Townsville for Aqua Regia digest with ME_ICP61 and AA25 Fire Assay technique for gold. Sample preparation involved: sample crushed to 70% less than 2mm, riffle split off 1 kg, pulverise split to >85% passing 75 microns. Historical RC samples were sent to Samples analysed at ALS Townsville by method PM209 for Au (0.01ppm). Impact has no reason to doubt the validity of these samples for the purposes of reporting Exploration Results.

Criteria	JORC Code explanation	Commentary
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	RC drilling accounts for 100% of the drilling and comprises 4-inch hammer.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	RC samples were visually checked for recovery, moisture and contamination.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	The RC samples are collected by plastic bag directly from the rig-mounted cyclone and laid directly on the ground in rows of 10. The drill cyclone and sample buckets are cleaned between rod-changes and after each hole to minimise down-hole and/or cross contamination.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No sample bias has been established.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological logging of samples followed company and industry common practice. Qualitative logging of samples included (but not limited to); lithology, mineralogy, alteration, veining and weathering. Diamond core logging includes additional fields such as structure and geotechnical parameters. Magnetic Susceptibility measurements were taken for each 1m RC sample
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	All logging is quantitative, based on visual field estimates. Chip trays with representative 1m RC samples were collected and photographed then stored for future reference.
	The total length and percentage of the relevant intersections logged	All RC chips samples were geologically logged by Impact's on-site geologist on a 1m basis.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples were split using a riffle splitter.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Company procedures were followed to ensure sub-sampling adequacy and consistency. These included (but were not limited to), daily work place inspections of sampling equipment and practices, as well as sub-sample duplicates ("field duplicates").
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Laboratory QC procedures for rock sample assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates. The QC procedure for historical RC samples is unknown but considered immaterial

Criteria	JORC Code explanation	Commentary
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Not applicable
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The samples sizes at Clermont are considered appropriate at this stage and the nugget effect for gold is not material.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	An industry standard fire assay technique for samples using lead collection with an Atomic Absorption Spectrometry (AAS) finish was used for gold and aqua regia digest for base metals and silver. The quality of historical drill sample assays is unknown, however this is considered immaterial at this stage of exploration.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	For the rock chips, quality control procedures for assays were followed via internal laboratory protocols. Accuracy and precision are within acceptable limits. The quality of historical drill sample assays is unknown, however this is considered immaterial at this stage of exploration.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intersections from drilling have not been verified by independent or alternative companies. This is not required at this stage of exploration.
	The use of twinned holes.	Not applicable
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary assay data for rock chips has been entered into standard Excel templates for plotting in Mapinfo and Target. All historical drill data has been entered digitally by previous explorers and verified internally by Impact.
	Discuss any adjustment to assay data.	No significant adjustments have been required.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Recent drill holes have been located by GPS. Historical drill holes and mine shafts have been verified by GPS.
	Specification of the grid system used.	The grid system for Clermont is MGA_GDA94, Zone 55.
	Quality and adequacy of topographic control.	Standard government topographic maps have been used for topographic validation. The GPS is considered sufficiently accurate for elevation data. For the RC drill holes, down hole dip surveys were taken at approximately 30m intervals and at the bottom of the hole.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drill spacing of drill holes ranges between 40 and 50 m which is considered adequate for Exploration Results.

Criteria	JORC Code explanation	Commentary
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Drill spacing of drill holes ranges between 10 and 50 m and may be considered adequate for Mineral Resource and Ore reserve estimation procedures. However estimations of grade and tonnes have not yet been made.
	Whether sample compositing has been applied.	Sample compositing has been applied for quoting drill composite results only.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Drilling is oriented sub-perpendicular to the mineralised trend and stratigraphic contacts as determined by field data and cross section interpretation.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No significant sample bias has been identified from drilling due to the optimum drill orientation described above. Where present, sample bias will be reported.
Sample security	*The measures taken to ensure sample security.*	For rock samples, chain of custody is managed by Impact Minerals Ltd. Samples for Clermont are delivered by Impact Minerals Ltd personnel via courier service to ALS in Townsville, Qld or to SGS Brisbane, or to ALS in Perth, for prep and assay. Whilst in storage, they are kept in a locked yard. Tracking sheets have been set up to track the progress of batches of samples. Security of historic drill samples is unknown however is considered immaterial.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	A review of the sampling techniques and data both of historic drill holes and of Impact's has not been completed.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Clermont Project currently comprises 1 exploration licence covering 66 km^2. The tenement is held 100% by Drummond West Pty Ltd, a subsidiary company of Impact Minerals Limited. No aboriginal sites or places have been declared or recorded in areas where Impact is currently exploring. There are no national parks over the license area.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing with no known impediments.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	A total of 19 drill holes at Retro, and 27 drill holes at Retro extended have been completed at the Clermont Project by previous explorers.
Geology	Deposit type, geological setting and style of mineralisation.	The Retro and Retro Extended deposits in the Clermont Project are low-sulphidation, epithermal high-grade gold-silver deposits that occur along the Retro Fault Complex 10 km strike length

Criteria	JORC Code explanation	Commentary
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	See Table in text.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	All reported assays have been length weighted. No top cuts have been applied. A nominal cut-off of approximately 0.5 g/t Au has been applied.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	High grade gold intervals internal to broader zones of lower grade mineralisation are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	The majority of previous and current drill holes to date have been sub-perpendicular to the mineralised trend and stratigraphy so intervals are close to true width or otherwise stated.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures in body of text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results reported are representative

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Assessment of other substantive exploration data is not yet complete however considered immaterial at this stage.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	Follow up work programmes will be subject to interpretation of recent and historic results which is ongoing.